



ASX Announcement

Friday, 28 April 2017

MHM QUARTERLY ACTIVITIES REPORT

MHM Metals (ASX: MHM) ('the Company') is pleased to provide the following Quarterly Activities Report for the period ended 31 March 2017.

Corporate

On 11 January 2017, the Company received a Bidder's Statement from Mercantile OFM Pty Limited (Mercantile OFM), a wholly owned subsidiary of Mercantile Investment Company Limited (ASX: MVT). The Mercantile OFM offer price was \$0.04 (4 cents) per share.

The Company's Target's Statement in relation to the Mercantile OFM offer was lodged on 27 February 2017.

The Company held its annual general meeting on 16 January 2017 with all resolutions put to the meeting being passed.

On 12 January 2017, the company announced that it has settled the sale of the Executive 73 Vessel for the net consideration of c\$380,000.

On 9 February 2017, the company received an intention to make an off-market takeover offer for all of the ordinary shares in the Company (**the Offer**) from Cadmon Ventures Pty Ltd (**Cadmon or the Bidder**). Cadmon lodged a Bidder's Statement on 23 February 2017. The Cadmon offer price was \$0.0435 (4.35 cents) per share.

The Company's Target's Statement in relation to the Cadmon Offer was lodged on 20 March 2017.

Business Development

With its significant cash reserves, the Company continues to advance a number of potential opportunities it has identified where its balance sheet and management experience can be applied to add value to the benefit of MHM shareholders.

Company Snapshot

Capital Structure

Ordinary shares on issue: 136,228,616

Directors

Faldi Ismail (Non- Executive Chairman)
Bryn Hardcastle (Non- Executive Director)
Nicholas Young (Non-Executive Director)

Company Secretary

Justin Mouchacca

Trading in MHM shares will remain suspended on ASX until such time as the Company has identified a suitable new opportunity and has met the necessary requirements under ASX Listing Rule 11.1 that may apply in relation to that opportunity (including re-complying with Chapters 1 and 2 of the ASX Listing Rules, to the extent required).

END

For more information:

MHM Metals Limited
Faldi Ismail
Chairman
+61 (3) 9692 7222

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

MHM METALS LIMITED

ABN

41 124 212 175

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(51)	(217)
(e) administration and corporate costs	(164)	(862)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	17	110
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	268
1.8 Other (provide details if material)		
(a) GST refund	-	62
(b) legal settlement	-	75
(c) Remediation settlement	-	(1,000)
1.9 Net cash from / (used in) operating activities	(198)	(1,564)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) equity investments	-	(1,071)
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) equity investments	-	-
(d) other non-current assets	450	737
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	450	(334)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	5,362	7,484
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(198)	(1,564)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	450	(334)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(55)	(27)
4.6	Cash and cash equivalents at end of period	5,559	5,559

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,559	5,362
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,559	5,362

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
25
-

During the March 2017 quarter, the Company paid fees in relation to legal services provided to the Company by Bellanhouse Legal which is an entity associated to Mr Bryn Hardcastle.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

-

8. Financing facilities available

Add notes as necessary for an understanding of the position

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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9. Estimated cash outflows for next quarter

\$A'000

9.1 Exploration and evaluation

9.2 Development

9.3 Production

9.4 Staff costs

9.5 Administration and corporate costs

9.6 Other (provide details if material)

9.7 Total estimated cash outflows

-

-

-

36

200

-

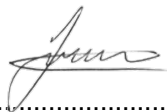
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10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:


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(Company secretary)

Date: 28 April 2017

Print name: Justin Mouchacca

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.